

Revenue Ruling 84-146: 1984-2 CB 61.

A contributed to an individual retirement account (IRA) the maximum amount deductible for the year under section 219 of the Internal Revenue Code. In addition, A was billed separately for and paid trustee's fees in connection with the IRA.

Section 1.404(a)-3(d) of the Income Tax Regulations provides that any expenses incurred by the employer in connection with a plan that meets the qualification requirements of section 401(a) of the Internal Revenue Code, such as trustee's and actuary's fees, which are not provided for by contributions under the plan are deductible by the employer under section 162 (relating to trade or business expenses) or section 212 (relating to expenses for production of income) to the extent such expenses are ordinary and necessary.

Held, consistent with the rules governing deductions in connection with qualified plans, amounts paid by A in connection with the IRA are deductible under section 212 of the Code to the extent that they satisfy the requirements of that section. Thus, amounts paid that are not ordinary and necessary expenses, such as capital expenditures and disguised IRA contributions, are not deductible under section 212 of the Code.